



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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March 29, 2002

Mr. John Cherry
Kennecott Utah Copper Corporation
P.O. Box 6001
Magna, Utah 84044-6001

Re: Response Comments, Kennecott Utah Copper Corporation, Groundwater Extraction and Treatment Remedial Project, Bingham Mine, M/035/002, Salt Lake County, Utah

Dear Mr. Cherry:

The Division has completed its evaluation of your latest responses to our October 5, 2001 review. The following questions and responses only address the remaining technical issues. This review document has been formatted to include only the most recent comments. The response comments are based on Kennecott's December 6, 2001 letter. Kennecott's responses are in regular font; the Division's latest technical review comments follow in bold and italic font.

- 9) *Section 5.4 Water Treatment Plants, page 12: The Zone-A treatment plant and associated pipelines will be built on ground owned by KUCC. The facility will need to be included in the DOGM reclamation bond for the Bingham Canyon Mine.*

KUCC Response (December 6)

Kennecott and JWCD are currently drafting a joint agreement to address the long-term funding for the operation and maintenance of this water treatment facility. The exact value of the operation and maintenance fund will be determined after Kennecott constructs and operates the facility prior to turning it over to JWCD. Currently it is estimated that the perpetual operations and maintenance fund value is approximately \$16 million. The ultimate agreement will be part of the overall joint proposal package to be approved by the NRD Trustee.

DOGM Comments (March 29)

DOGM has reviewed Kennecott's response to this concern and will not require additional information at this time. However, it will be necessary to provide the Division with plans and information regarding these facilities as they become available. The Division will require receipt of a copy of the ultimate agreement between JWCD and Kennecott, which will summarize the long term operations and maintenance plan, as soon as it is finalized.

- 15) *Section 5.6 Concentrate Disposal, pages 14 – 17: The greater flow of tailings slurry, which is anticipated to stabilize the corrosive and precipitating nature of the concentrate streams, will*

only be present during active mining operations. The scenario of the concentrate streams and post mining flow in the tailings line should also be discussed.

KUCC Response (December 6):

Kennecott's intent is that the groundwater remediation project will not have a negative affect on the closure and reclamation success of the tailings impoundment and the end of mine life. Part of the purpose of the geochemical evaluations is to determine if there will be any long-term negative effects on the impoundment such that adjustments can be made to the remediation program that will minimize or eliminate reclamation failures related to water treatment activities. Conceptually, if the remediation program does not substantially change the neutralization potential of the tailings, no negative effects to the long term reclamation of the impoundment will be realized and increasing the bonding established in the current permit should be moot.

DOGM comments (March 29):

Currently, the Division does not have any assurances other than 'studies are being carried out and that there will be no negative effect on the closure and reclamation success of the tailings impoundment at the end of mine life'. The Division questions Kennecott's assumptions without the technical data to support them. The actual long term pumping rates of the acid wells are to be determined and the length of pumping is unknown. Therefore, water will likely continue to be produced well beyond the life of the mine. The Division requests more definitive timeframe information explaining when the studies will be completed and what the studies will involve. This information will assist us in determining the potential impacts on the tailings impoundment reclamation both from the acidification standpoint and the extended timeframe for pumping of fluids to the impoundment. Please provide this information.

21) Section 13.4 KUCC/JVWCD Agreement ("the Project Agreement"), pages 44 – 45:
Please explain if, when ownership of the Zone-A plant and associated waste stream pipelines is passed to JVWCD, the DOGM bonding responsibilities for those facilities will be transferred also.

KUCC Response (December 6):

As noted in the latest Kennecott response to No. 9 above, Kennecott and JVWCD are finalizing an agreement that details the financial aspects associated with transferring the Zone A RO plant to JVWCD operations. Kennecott, the UVWCD and the State of Utah NRD Trustee also have developed a proposed agreement for the obligations associated with providing municipal quality water and the financial issues associated with the NRD trust fund.

DOGM Comments (March 29)

DOGM has reviewed Kennecott's response to this concern and will not require additional information at this time. However, it will be necessary to provide the Division with plans and information regarding these facilities as they become available. The Division will require receipt of a copy of the ultimate agreement between JVWCD and Kennecott, which will summarize the long term operations and maintenance plan, as soon as it is finalized.